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SUBJECT: SLOVENIA HOSTS DISCUSSION OF REGIONAL ENERGY  
PROJECTS

#### Slovenia Hosts Energy Quadrilateral

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¶1. (U) Janez Kopac, director for energy in Slovenia's Ministry of Economy, hosted on May 14 embassy and business representatives from Slovenia, Italy, Croatia, Austria, and Hungary to discuss possible energy projects in the region. The European Commission (EC) also participated, and U.S. emboff observed. Presentations included possible electricity generation projects (nuclear, hydro, thermal and renewable) and electricity and gas distribution projects. The discussions highlighted the EC's 20/20/20 targets (20 percent reduction of greenhouse gas emissions, 20 percent share of electricity consumption from renewables, and 20 percent increase in energy efficiency by 2020) as well as available EC funding for energy projects.

#### Regional Projects and EC Involvement

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¶2. (U) The presenters noted that the region has extensive investments underway for medium term projects. Hungary, Croatia, and Slovenia have already started with some gas pipeline projects that follow EC guidance on ensuring connections between national gas grids. Similar activities are underway for electricity distribution networks. Hungary and Slovenia, for example, are both considering construction of 1,000 and 1,700 MWh nuclear power plants to meet the 20/20/20 goals and reduce their dependence on electricity imports. Hungary is planning wind power farms, while Slovenia is leaning toward hydroelectric possibilities to meet the renewable energy generation target. Participants also noted the progress in planning for the Nabucco and South Stream pipelines and the Adria liquefied natural gas terminal.

#### Italian Interest in Slovenia: Competition for Westinghouse?

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¶3. (SBU) The Italian representatives had arrived in Ljubljana on May 13 to meet bilaterally with Kopac and other Slovene government officials, and a representative from Enel, Italy's state-owned energy company, specifically told the broader group that Enel sees Slovenia as an electricity network hub. The Italians had also opposed U.S. participation in the broader group discussions, likely due to concerns about Westinghouse's interest in the possibility of expanding the Krsko nuclear plant. Enel holds a 12.5 percent stake in the new generation European Pressurized Reactor project, and could potentially be a competitor for Westinghouse on any tender for work at Krsko. Comment: Slovene contacts never mention Enel when they speak of possible companies to work on Krsko. Post is working closely with Westinghouse in its effort to stay front and center on Slovenia's radar screen.

